



*S*tark County Government

Popular Annual Financial Report

for the year ended December 31, 2007

Issued by

Kim R. Perez

Stark County Auditor

<http://www.auditor.co.stark.oh.us>



Sippo Lake Canalway Center

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO
STARK COUNTY, OHIO

For the fiscal year ending
December 31, 2006



Thomas J. Hearn
President

Jeffrey L. Essler
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Stark County, Ohio for its Popular Annual Financial Report for the year ended December 31, 2006. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

The picture on the front cover is of the Exploration Gateway located at Sippo Lake Park. The building opened on June 8, 2007 as a joint project of the Stark County Park District and the Stark County Library.

The building includes the Congressman Ralph Regula Canalway Center, the Perry-Sippo Branch Library, the Herbert W. Hoover Foundation Science Classroom, a video conference center, Lilly Pad Gift Shop, community rental rooms, and Park District Education offices. Photograph taken by Tim Smith.

August 2008



Kim R. Perez
Stark County Auditor

I am pleased to present the Stark County Popular Annual Financial Report (PAFR) for the year ended December 31, 2007. The report provides a brief analysis of where county revenues come from and where those dollars are spent, as well as an overview of trends in the local economy. Above all, it is designed to present a financial report that is easy to understand.

The PAFR, which has been generated internally by the Stark County Auditor's Office, summarizes the financial activities of the primary government of Stark County (County) and was drawn from the financial information appearing in the 2007 Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the Auditor of State of Ohio, receiving an unqualified opinion. The PAFR, however, is unaudited and is presented on a non-GAAP basis. The major differences between GAAP and non-GAAP reporting deals with not including component units and in the presentation of segregated funds, as well as full disclosure of all material financial and nonfinancial events in notes to the financial statements. The statements presented within this report contain all funds used by the County to account for the financial activities of the primary government. Individuals who desire to review GAAP basis, full disclosure financial statements should refer to the County's CAFR, which is available from the County Auditor's office or visit the website at <http://www.auditor.co.stark.oh.us>.

The Popular Annual Financial Report of Stark County is presented as a means of increasing public confidence in the County's government and elected officials through easier, more user friendly financial reporting. As you review our Popular Annual Financial Report, I invite you to share any questions, concerns, or recommendations you may have.

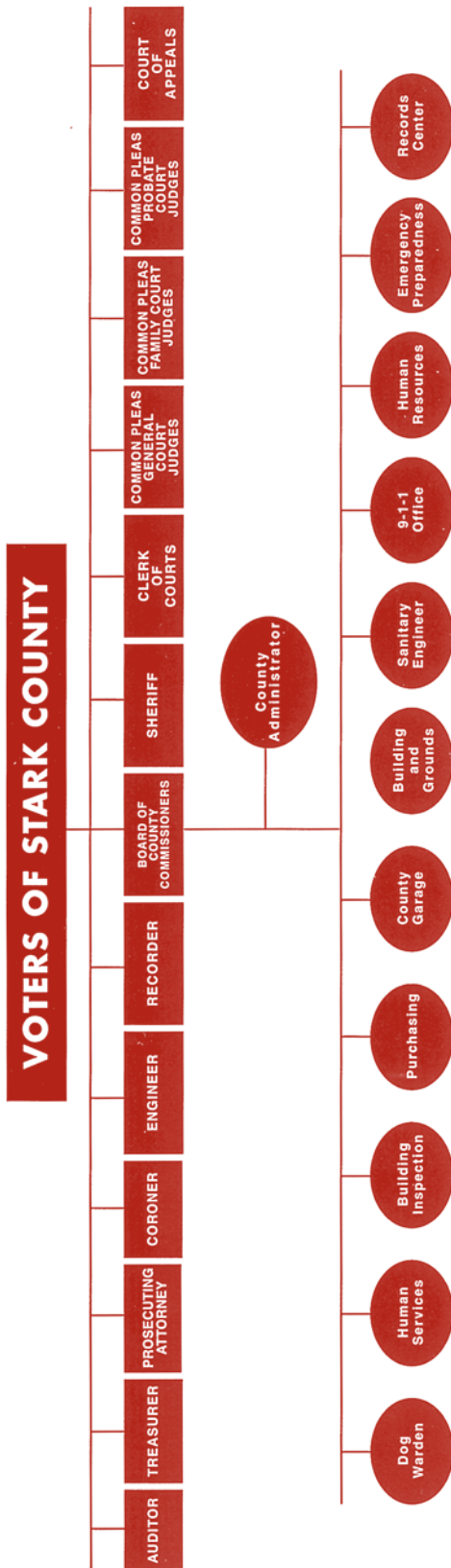
Sincerely,

A handwritten signature in cursive script that reads "Kim R. Perez".

Kim R. Perez
Stark County Auditor



Stark County Government Organizational Chart



Appointed Board and Commissions; Statutory Boards and Commissions; or County provides space or gives financial support:

| | | | | | | |
|-------------------------------|---|--|--|-------------------------------------|--|---|
| AKRON-CANTON REGIONAL AIRPORT | ALCOHOL & DRUG ADDICTION SERVICES BOARD | BOARD OF ELECTIONS | BOARD OF MENTAL RETARDATION & DEVELOPMENTAL DISABILITIES | BOARD OF TAX REVISION | BUDGET COMMISSION | COMMUNITY IMPROVEMENT CORPORATION |
| DATA PROCESSING BOARD | DISASTER SERVICES- HAZMAT | ECONOMIC DEVELOPMENT BOARD | LITTER PREVENTION | MENTAL HEALTH BOARD | MULTI-COUNTY JUVENILE ATTENTION SYSTEM | OHIO STATE COOPERATIVE EXTENSION SERV. |
| PUBLIC DEFENDER COMMISSION | RECORDS COMMISSION | STARK-TUSCARAWAS-WAYNE JOINT SOLID WASTE MANAGEMENT DISTRICT | STARK COUNCIL OF GOVERNMENTS | STARK COUNTY AGRICULTURAL SOCIETY | STARK COUNTY CHILDREN'S SERVICES ADVISORY AND ADVOCACY COUNCIL | |
| STARK COUNTY FAMILY COUNCIL | STARK COUNTY HEALTH DEPARTMENT | STARK COUNTY LOCAL EMERGENCY PLANNING COMMITTEE | STARK COUNTY PARK DISTRICT | STARK COUNTY PORT AUTHORITY | STARK COUNTY REGIONAL PLANNING COMMISSION | STARK COUNTY TAX INCENTIVE REVIEW COUNCIL |
| | STARK REGIONAL COMMUNITY CORRECTIONS CENTER | STARK SOIL & WATER CONSERVATION DISTRICT | THE WORKSHOPS, INCORPORATED | TRANSPORTATION IMPROVEMENT DISTRICT | VETERANS COMMISSION | YOUTH SERVICES ADVISORY BOARD |

County Property Taxes

The following table provides the amount of taxes on an owner occupied home with a market value of \$100,000. The full tax rate appearing in the table includes both inside (not voted) and voted levies for all subdivisions within the taxing district. The effective tax rate is the tax rate actually applied in calculating your tax liability. The effective tax rate is determined by the State Department of Taxation each year. In essence, the effective rate ensures that an individual's tax liability does not increase on voted levies as a result of appreciation in value due to economic conditions. The tax on a home with a \$100,000 value is a relatively simple calculation: take the \$100,000 appraised value times 35% to get the assessed value; then multiply the assessed value by the effective tax rate. This is the gross tax due. This gross tax is then reduced by 12 1/2% rate which is the amount the state pays on behalf of each individual homeowner who resides in that home under the state rollback programs currently in effect.

| TAXING DISTRICT NUMBER AND NAME | FULL TAX RATE | TAX ON \$100,000 | TAXING DISTRICT NUMBER AND NAME | FULL TAX RATE | TAX ON \$100,000 |
|---|---------------|------------------|--|---------------|------------------|
| 1 ALLIANCE CITY-ALLIANCE CSD | 73.30 | \$1,290.40 | 45 PERRY TOWNSHIP-JACKSON LSD | 72.75 | \$1,572.39 |
| 2 CANTON CITY-CANTON CSD | 81.90 | \$1,379.87 | 46 PERRY TOWNSHIP-MASSILLON CSD | 74.05 | \$1,178.24 |
| 3 CANTON CITY-PLAIN LSD | 72.10 | \$1,196.96 | 47 PERRY TOWNSHIP-TUSLAU LSD | 85.65 | \$1,403.96 |
| 4 CANTON CITY-CANTON LSD | 65.30 | \$1,138.55 | 48 PIKE TOWNSHIP-SANDY VALLEY LSD | 72.80 | \$1,470.69 |
| 5 MASSILLON CITY-TUSLAU LSD | 76.70 | \$1,194.07 | 49 PIKE TOWNSHIP-CANTON LSD | 71.80 | \$1,226.31 |
| 6 MASSILLON CITY-MASSILLON CSD | 66.60 | \$1,554.29 | 50 PIKE TOWNSHIP-TUSCARAWAS VALLEY LSD | 60.80 | \$1,426.42 |
| 7 MASSILLON CITY-PERRY LSD | 61.60 | \$1,332.29 | 51 PIKE TOWNSHIP-EAST SPARTA VILLAGE-SANDY VALLEY LSD | 84.70 | \$1,810.15 |
| 8 MASSILLON CITY-JACKSON LSD | 63.60 | \$1,356.39 | 52 PLAIN TOWNSHIP-PLAIN LSD | 81.55 | \$1,459.68 |
| 9 MASSILLON CITY-FAIRLESS LSD | 67.80 | \$1,448.42 | 53 PLAIN TOWNSHIP-CANTON LSD | 74.15 | \$1,382.90 |
| 10 BETHLEHEM TOWNSHIP-FAIRLESS LSD | 70.60 | \$1,534.46 | 54 PLAIN TOWNSHIP-JACKSON LSD | 73.05 | \$1,635.07 |
| 11 BETHLEHEM TOWNSHIP-TUSCARAWAS VALLEY LSD | 57.70 | \$1,427.11 | 55 PLAIN TOWNSHIP-NORTH CANTON CSD | 96.35 | \$1,649.04 |
| 12 BETHLEHEM TOWNSHIP-NAVARRE VILLAGE-FAIRLESS LSD | 67.70 | \$1,462.42 | 56 PLAIN TOWNSHIP-NORTH CANTON CITY-NORTH CANTON CSD | 89.90 | \$1,449.31 |
| 13 CANTON TOWNSHIP-CANTON LSD | 69.80 | \$1,237.49 | 57 PLAIN TOWNSHIP-NORTH CANTON CITY-JACKSON LSD | 66.10 | \$1,420.04 |
| 14 CANTON TOWNSHIP-CANTON CSD | 86.60 | \$1,482.73 | 58 PLAIN TOWNSHIP-NORTH CANTON CITY-PLAIN LSD | 74.60 | \$1,244.65 |
| 15 JACKSON TOWNSHIP-MEYERS LAKE VILLAGE-CANTON CSD | 87.40 | \$1,507.23 | 59 PLAIN TOWNSHIP-CANTON CSD | 90.95 | \$1,628.14 |
| 16 JACKSON TOWNSHIP-JACKSON LSD | 76.10 | \$1,558.37 | 60 PLAIN TOWNSHIP-MEYERS LAKE VILLAGE-CANTON CSD | 81.40 | \$1,364.56 |
| 17 JACKSON TOWNSHIP-PLAIN LSD | 84.60 | \$1,482.98 | 61 SANDY TOWNSHIP-SANDY VALLEY LSD | 72.30 | \$1,531.36 |
| 18 JACKSON TOWNSHIP-HILLS & DALES VILLAGE-PLAIN LSD | 95.90 | \$1,668.98 | 62 SANDY TOWNSHIP-CANTON LSD | 71.30 | \$1,286.98 |
| 19 LAKE TOWNSHIP-LAKE LSD | 92.90 | \$1,623.64 | 63 SANDY TOWNSHIP-OSNABURG LSD | 85.10 | \$1,479.78 |
| 20 LAKE TOWNSHIP-NORTH CANTON CSD | 93.90 | \$1,516.60 | 64 SANDY TOWNSHIP-BROWN LSD | 66.30 | \$1,498.38 |
| 21 LAKE TOWNSHIP-PLAIN LSD | 79.10 | \$1,327.24 | 65 SANDY TOWNSHIP-MAGNOLIA VILLAGE-SANDY VALLEY LSD | 91.20 | \$1,939.30 |
| 22 LAKE TOWNSHIP-UNIONTOWN POLICE DISTRICT-LAKE LSD | 103.70 | \$1,824.47 | 66 SANDY TOWNSHIP-WAYNESBURG VILLAGE-SANDY VALLEY LSD | 88.70 | \$1,847.36 |
| 23 LAKE TOWNSHIP-HARTVILLE VILLAGE-LAKE LSD | 90.15 | \$1,584.61 | 67 SUGARCREEK TOWNSHIP-FAIRLESS LSD | 71.30 | \$1,535.91 |
| 24 LAWRENCE TOWNSHIP-TUSLAU LSD | 87.30 | \$1,484.16 | 68 SUGARCREEK TOWNSHIP-SOUTHEAST LSD | 68.75 | \$1,321.45 |
| 25 LAWRENCE TOWNSHIP-JACKSON LSD | 74.40 | \$1,652.60 | 69 SUGARCREEK TOWNSHIP-BEACH CITY VILLAGE-FAIRLESS LSD | 75.80 | \$1,641.18 |
| 26 LAWRENCE TOWNSHIP-NORTHWEST LSD | 86.60 | \$1,681.23 | 70 SUGARCREEK TOWNSHIP-BREWSTER VILLAGE-FAIRLESS LSD | 71.70 | \$1,507.85 |
| 27 LAWRENCE TOWNSHIP-CANAL FULTON VILLAGE-NORTHWEST LSD | 79.40 | \$1,494.61 | 71 SUGARCREEK TOWNSHIP-WILMOT VILLAGE-FAIRLESS LSD | 66.80 | \$1,435.97 |
| 28 LEXINGTON TOWNSHIP-MARLINGTON LSD | 77.60 | \$1,258.79 | 72 TUSCARAWAS TOWNSHIP-TUSLAU LSD | 79.20 | \$1,242.24 |
| 29 LEXINGTON TOWNSHIP-ALLIANCE CSD | 79.40 | \$1,406.08 | 73 TUSCARAWAS TOWNSHIP-FAIRLESS LSD | 69.30 | \$1,465.97 |
| 30 LEXINGTON TOWNSHIP-LIMAVILLE VILLAGE-MARLINGTON LSD | 82.60 | \$1,429.30 | 74 TUSCARAWAS TOWNSHIP-MASSILLON CSD | 67.60 | \$1,556.52 |
| 31 MARLBORO TOWNSHIP-MARLINGTON LSD | 76.75 | \$1,418.691 | 75 WASHINGTON TOWNSHIP-MARLINGTON LSD | 72.50 | \$1,148.83 |
| 32 MARLBORO TOWNSHIP-LAKE LSD | 92.15 | \$1,663.78 | 76 WASHINGTON TOWNSHIP-ALLIANCE CSD | 74.30 | \$1,296.12 |
| 33 NIMISHILL TOWNSHIP-LOUISVILLE CSD | 74.50 | \$1,313.36 | 77 ALLIANCE CITY-MARLINGTON LSD | 69.50 | \$1,081.85 |
| 34 NIMISHILL TOWNSHIP-MARLINGTON LSD | 75.50 | \$1,246.43 | 78 PARIS TOWNSHIP-BROWN LSD | 62.80 | \$1,404.31 |
| 35 NIMISHILL TOWNSHIP-PLAIN LSD | 77.10 | \$1,333.12 | 79 WASHINGTON TOWNSHIP-LOUISVILLE CSD | 71.50 | \$1,215.75 |
| 36 LOUISVILLE CITY-LOUISVILLE CSD | 69.30 | \$1,312.55 | 80 WASHINGTON TOWNSHIP-MINERVA LSD | 62.70 | \$1,424.97 |
| 37 OSNABURG TOWNSHIP-OSNABURG LSD | 83.90 | \$1,459.15 | 81 PERRY TOWNSHIP-NAVARRE VILLAGE-PERRY LSD | 66.40 | \$1,455.61 |
| 38 OSNABURG TOWNSHIP-CANTON LSD | 70.10 | \$1,260.78 | 82 CANTON CITY-LOUISVILLE CSD | 70.30 | \$1,201.70 |
| 39 OSNABURG TOWNSHIP-MINERVA LSD | 66.10 | \$1,529.83 | 83 CANTON TOWNSHIP-CANTON CITY-CANTON LSD | 70.80 | \$1,265.91 |
| 40 OSNABURG TOWNSHIP-EAST CANTON VILLAGE-OSNABURG LSD | 84.20 | \$1,465.58 | 84 PLAIN TOWNSHIP-CANTON CITY-PLAIN LSD | 72.10 | \$1,196.96 |
| 41 PARIS TOWNSHIP-MINERVA LSD | 63.80 | \$1,458.09 | 85 WASHINGTON TOWNSHIP-ALLIANCE CITY-MARLINGTON LSD | 72.50 | \$1,148.83 |
| 42 PARIS TOWNSHIP-MINERVA VILLAGE-MINERVA LSD | 66.30 | \$1,500.72 | 86 PLAIN TOWNSHIP-CANTON CITY-CANTON CSD | 81.90 | \$1,379.87 |
| 43 PERRY TOWNSHIP-PERRY LSD | 71.15 | \$1,560.35 | 87 JACKSON TOWNSHIP-NORTH CANTON CITY-JACKSON LSD | 75.10 | \$1,610.30 |
| 44 PERRY TOWNSHIP-FAIRLESS LSD | 75.75 | \$1,672.39 | 88 PLAIN TOWNSHIP-CANTON CITY-NORTH CANTON CSD | 87.40 | \$1,401.63 |
| | | | 89 PERRY TOWNSHIP-NAVARRE VILLAGE-FAIRLESS LSD | 72.60 | \$1,571.75 |

Auditor's Office

Fiscal Services (Finance and Payroll)

The Stark County Auditor is the chief fiscal officer of the County. It is the auditor's responsibility to perform the following functions:

- Account for revenues received each year by the County.
- Issue warrants (checks) in payment of all County obligations, including the distribution of tax dollars to the townships, villages, cities, school districts and library systems, as well as other County agencies.
- Serve as the paymaster for all County employees.
- Administer and distribute motor vehicle license fees, gasoline taxes, estate taxes, fines and local government funds, in addition to real estate, personal property and manufactured home taxes.
- As required by law, prepare and produce the County's annual financial report. Stark County prepares a Comprehensive Annual Financial Report (CAFR) and a Popular Annual Financial Report (PAFR).

Real Estate Taxes and Rates

Under Ohio law, the county auditor cannot raise or lower property taxes. Tax rates are determined by the budgetary requests of each governmental unit, as authorized by vote of the people, and are computed in strict accordance with procedures required by the Division of Tax Equalization, Ohio Department of Taxation. Annually, the auditor prepares the general tax list. Your tax bill is based on the tax rate multiplied by your valuation on this tax list. This is your proportional share of the cost of operating your local government including cities, villages, townships, schools and the County. Ohio law limits the amount of taxation without a vote of the people to what is known as the "10 mill limitation" (\$10.00 per \$1,000 of assessed valuation). County residents must vote any additional real estate taxes for any purpose. Your "tax rate" is an accumulation of all these levies and bond issues.

Real Estate Appraisal and Assessment

Stark County has more than 195,000 separate parcels of real estate property. It is the duty of the auditor to see that every parcel of land and the buildings thereon are fairly and uniformly appraised and assessed for tax purposes. Ohio law mandates a general reappraisal every six years with an update at the three year midpoint. The office maintains a detailed record of the appraisal on each parcel in the County. These records are open for public inspection. For taxation purposes, owners are assessed at 35 percent of fair market value.

Real Estate Conveyance and CAUV

This department is in charge of transferring all real estate that changes ownership in the County and collecting fees on this activity. They maintain all ownership records, acreage changes, real estate splits and provide information for maintaining tax plat maps. The auditor is also in charge of administering the Current Agricultural Use Value (CAUV) program that allows farmland to be taxed at its value for that use. Agricultural districts and forest certification are other responsibilities of this department.

Personal Property Tax

The county auditor, as an agent for the Ohio Department of Taxation, is responsible for administering the tangible personal property tax laws. Generally speaking, anyone in business in Ohio is subject to tangible personal property tax on equipment, furniture, fixtures and inventory used in business. The tangible personal property tax is distributed back to the local taxing districts in the same manner as real estate taxes.

Licensing

The auditor's office is the focal point in the County for issuance of licenses for dogs, vendors and cigarette sales. Stark County annually issues more than 50,000 dog licenses. Vendor licenses authorize businesses to sell tangible property to the public and collect sales tax, a part of which is returned for use at the local level.

Manufactured Housing

There are 50 manufactured home communities currently operating in the County. Stark County has one of the largest populations of manufactured homes in the state of Ohio. Under Ohio law, it is the responsibility of owners of manufactured homes to register their homes with the county auditor for tax purposes. Annually, the auditor's office assesses each manufactured home and prepares a tax list. Tax bills are sent to each owner semiannually. The manufactured home tax is distributed back to the local taxing districts in the same manner as real estate taxes.

Weights and Measures

The Department of Weights and Measures plays a vital role in our everyday lives. Our economy is essentially based on the monetary value placed on goods and services bought, sold and traded daily. That monetary value is ultimately determined by an accurate system of weights and measures. Each year the auditor's office inspects and certifies more than 5,200 devices in over 600 locations throughout the County. Weights and Measures, as defined by Ohio law, means all weights and measures of every kind, instruments and devices for weighing and measuring, and any appliances and accessories associated with any such instruments and devices, except that the term shall not be construed to include meters for the measurement of electricity, gas, or water when the same are operated as public utility system. The county auditor is required by Ohio law to inspect all commercial devices used in retail trade for weighing or measuring. This includes checking gas pumps, price scanners, meat and produce/truck scales.

KIM PEREZ
Stark County Auditor
Inspected & Sealed
2007 • 2008
ph: 330-451-7356
www.auditor.co.stark.oh.us

Stark County Information Technology Services

The auditor is responsible for the management of the County Information Technology Center and serves as the Chief Administrator of the Data Processing Board. Changes in computer systems and planning must be approved by the board to automate various County functions. Improving financial and recordkeeping systems of the County will improve services, reduce costs and provide County officials with a modern management tool to better administer the business of government. The Stark County Information Technology Division supports all aspects of computing for government offices in the County. Some of these services include programming, personal computer hardware and soft-ware support, consultation, management, logistical support and network services. Information Services supports over 1000 nodes in the County computer network. A node is an active networked computer connection such as a personal computer, terminal, printer, server, switch, router, or other networked devices.

Additional Duties of the Auditor

Secretary of the Budget Commission
Secretary of the Board of Revision
Tax Incentive Review Council Records

Development & Trends

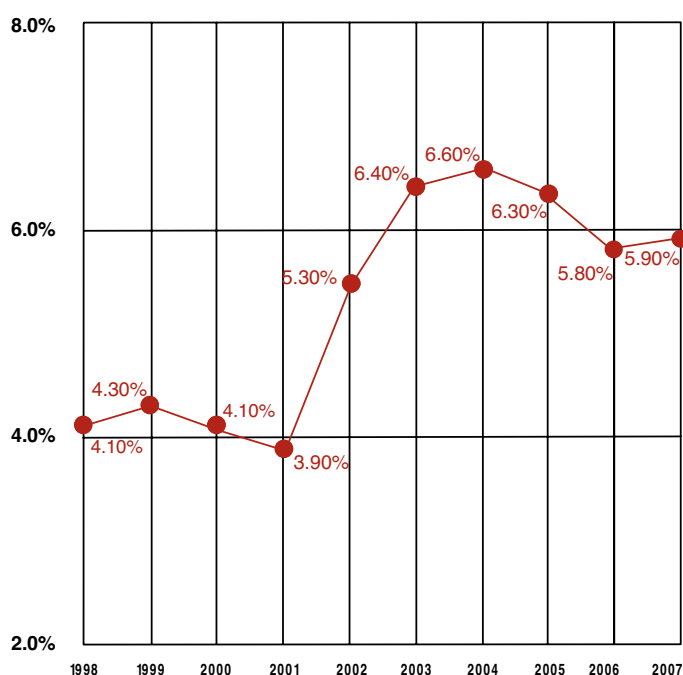
The County, which is located in the Northeastern section of Ohio, was established in 1808 and covers an area of 567 square miles and includes 17 townships, 13 villages, and 6 cities, the largest of which is the City of Canton, the County Seat, and the eighth largest city in the State. It is strategically located in proximity to all modes of transportation including truck, railroad, and air. Because of this, many businesses have chosen to make Stark County their home.

The Canton/Stark County area offers many of the amenities and activities of a big city, with the advantages of small-city living. The area's low cost of living makes it an appealing place for businesses and employees. As a matter of fact, many people who work outside of the county are settling here because of the quality schools, economical prices, and abundant housing. In fact, the area's low prices and steady growth has led Stark County to claim a spot among the top five in the region for home price appreciation. The area is also in the top third of metropolitan areas nationwide, according to ratings received for its facilities (health care, education, recreation, transportation, and the arts), and indicators (crime, costs of living and jobs).

Interstate 77 links Stark County with the national interstate highway network, providing easy access to all the major markets in the United States and Canada. In addition, freight and passenger services are readily available through three major carriers and a regional airport which provides commercial air service for nationwide travel, including direct flights to Chicago and Washington D.C. Neomodal, an ultramodern 28 acre rail/highway transfer facility, located in the county, transports products consistently and efficiently to both domestic and international locations. Neomodal provides convenient 24 hours access to Stark's three railroads.

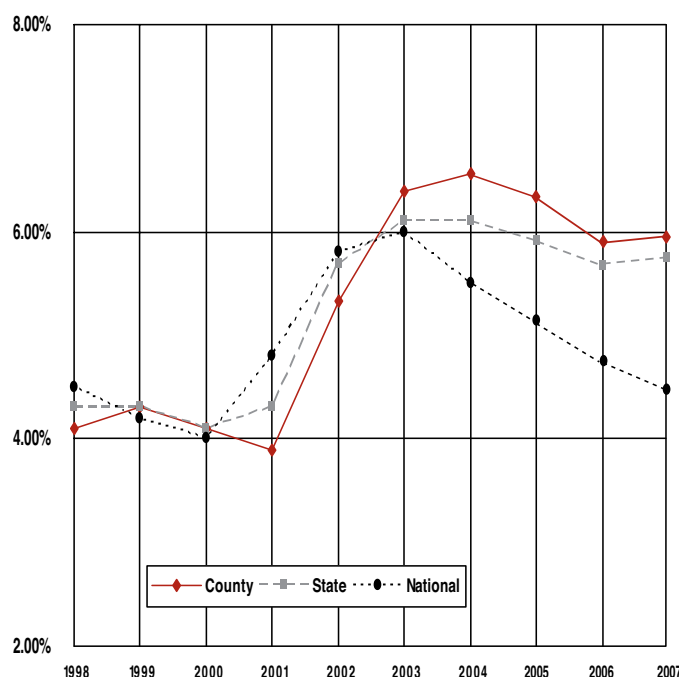
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Average Unemployment Percentage Rates



Source: U.S. Department of Labor,
Bureau of Labor Statistics

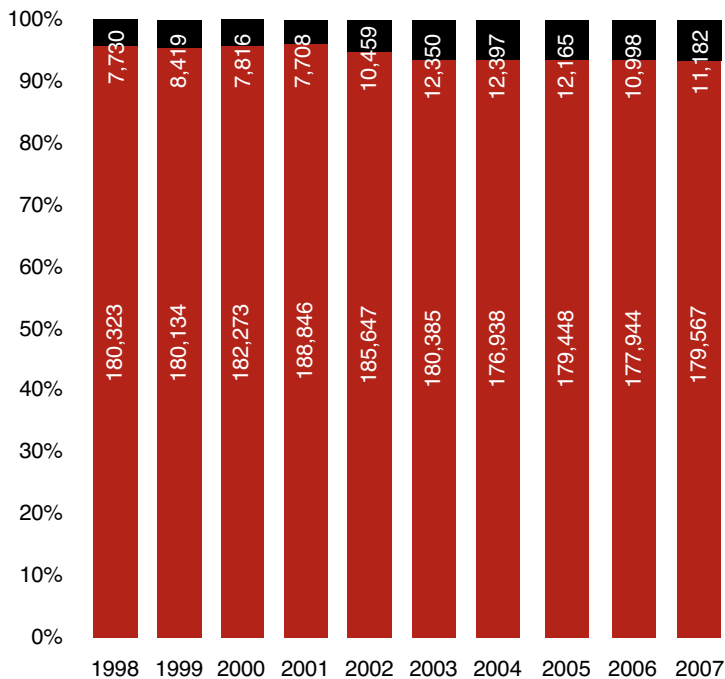
National, State & County Average Unemployment Rates



Source: U.S. Department of Labor,
Bureau of Labor Statistics

Development & Trends

Employed vs. Unemployed



Source: U.S. Department of Labor,
Bureau of Labor Statistics

Top Ten Employers Stark County Ohio

| Largest Employers | Employees |
|--------------------------------|-----------|
| Aultman Health Foundations | 4,964 |
| The Timken Company | 4,720 |
| County of Stark | 2,936 |
| Mercy Medical Center | 2,465 |
| Canton City Board of Education | 1,933 |
| Affinity Hospital | 1,120 |
| Workshops, Inc | 1,080 |
| Alliance Community Hospital | 940 |
| Freshmark, Inc | 875 |
| Fisher Foods Marketing, Inc | 850 |

Source: Stark County Development Board,
Ohio Department of Development, Employers

Continued from page 6

Stark County's economy, fueled by a strong labor force and the development of new and existing business, has experienced healthy growth and expansion. According to the Business Outlook Survey and other economic indicators, the economy in the Stark County area will continue to prosper.

The increasing emphasis of the local economy on the non-manufacturing sector is reflected in the growing list of major employers. Several manufacturing companies remain among the largest employers, but now there are also numerous large service industry employers in the County.

A major asset of the Stark County area is its labor force committed to high quality and productivity. Stark County has been a successful location for business since the mid-nineteenth century. The area has produced generations of well-educated and diverse workers which reflect the broad base of the areas' economic mix.

Stark County has a rich tradition in education, offering educational opportunities to fit every need. The County area is home to 17 public school districts, educating over 65,000 students each year. There are also 29 parochial and private schools in the area. All high schools in the Stark County area offer vocational and college prep tracks.

Beginning in the mid-1990's, Stark County's relative wealth measured by the Woods and Poole Wealth Index increased steadily from 91.50 to 93.75. Projections beyond the year 2007 show more rapid growth in wealth in Stark County than in the United States.

Striving for Continuous Improvement

For the Future

The Stark County Auditor, Kim R. Perez, and the Stark County Treasurer, Gary Zeigler, are committed to continuing the advancement of technological capabilities within their offices. These upgrades will also aid the offices of the Stark County Sheriff and Emergency 911, as well as many municipalities, townships, villages, and school districts within the County. They are in contract with ACS Government Systems, Inc. to implement an integrated tax appraisal and collection system. This new system will provide upgrades that will facilitate workflow management, reporting and querying, imaging, valuations, and GIS integration. This system will eliminate the inefficiency and rigidity of the currently established system and will provide accurate, detailed information along with the highest level of customer service. The project implementation began in February, 2007 and has an estimated "go live" date for the 2009 tax year billable in 2010.

Also in progress during 2007 was the implementation of a new Oracle-based Banner payroll and human resource systems with conversion from the existing mainframe system expected in the summer of 2008.

A Kronos Time Management System that will integrate with the new payroll and human resources systems will also be implemented in 2008 by a core group of County Departments, including the Recorder, Treasurer and Auditor.

The Stark County Auditor's office and the Stark County Sheriff's Office were the administrators for a \$468,545.70 grant approved by the Office of COPS, covering the collection of oblique imagery, provided by Pictometry International for Stark, Wayne, Ashland and Medina Counties. This product contains all branches of local government, including, but not limited to, the offices of the Sheriff, Auditor, Engineer, and the

Assessed Taxable Property Values

| Years | Real Estate | Personal Property |
|-------|-----------------|-------------------|
| 2007 | \$6,998,388,350 | \$264,155,440 |
| 2006 | 6,572,839,640 | 570,720,229 |
| 2005 | 6,424,896,800 | 716,256,710 |
| 2004 | 6,284,976,650 | 700,357,757 |
| 2003 | 5,637,815,270 | 733,462,000 |
| 2002 | 5,541,482,220 | 849,140,358 |
| 2001 | 5,547,366,130 | 895,970,175 |
| 2000 | 4,820,149,680 | 830,240,358 |
| 1999 | 4,751,307,780 | 829,547,997 |
| 1998 | 3,982,966,770 | 795,593,469 |

Property Tax Collections



Striving for Continuous Improvement

continued from page 8

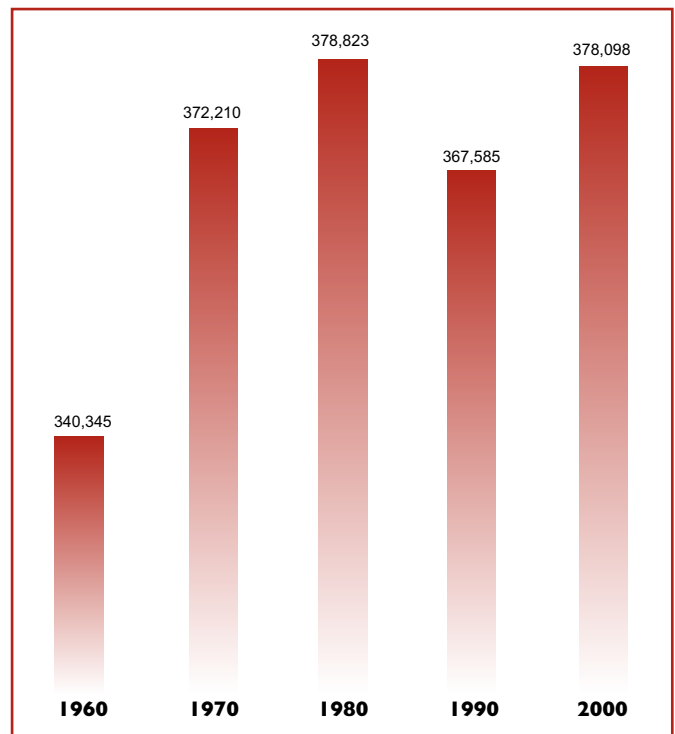
Commissioners, along with the local Health, Parks, Emergency Management, and Public Safety Departments. Pictometry is an information system that enables mapping users to, quickly and easily, access up to 12 different views of any property, building, highway, or other landmark in a county. It shows precise geographic coordinates, and has the ability to measure distances, heights, perimeters, lengths, widths, and area of objects within images.

Stark County Commissioners approved a license plate fee increase of \$10 that began January 1, 2008. Stark County and other political subdivisions (townships and cities are allocated differently) will divide the increase as follows: County 70% / Townships 30% and County 50% / Cities 50% of the first \$5 and County 100% of the second \$5. The Stark County Engineer's office anticipates an increase in funds of \$3 million per year. Michael Rehfus, Stark County Engineer, will be using the funds for capital improvements only. These improvements include paving roads, bridge repairs, equipment purchases, road widening and intersection improvements that are desperately needed throughout the county. The engineer's office will continue to seek federal and state grant monies, as this is where the majority of the capital projects funding originates. This fee will save the General Fund \$500,000 annually that was previously allocated to the engineer's office from the sales tax.

Principal Property Tax Payers

| Taxpayers | Assessed Valuation |
|---------------------------------------|-------------------------------|
| Ohio Power | \$117,446,920 |
| Timken Company | 128,750,230 |
| Ohio Bell Telephone | 35,474,250 |
| Ohio Edison | 32,686,860 |
| AQUA Ohio Inc | 26,399,090 |
| Plain Local School Board of Education | 21,445,940 |
| Strip Delaware LLC | 20,713,810 |
| East Ohio Gas | 20,685,530 |
| Marathon Petroleum Company LLC | 16,492,790 |
| MC Hospital LLC | 13,603,040 |
| Total | 433,698,460 |

Population



Financial Activity Statement

Summary

The Financial Activity Statement, known in accounting terms as the "Income Statement", is designed to provide record of the money received and spent during the year. Explanations of specific Resources and Services are shown in the following pages.

The statement is presented on a non-GAAP basis. Copies of GAAP basis reports can be found in the County's Comprehensive Annual Financial Report and can be obtained from the Stark County Auditor's Office.

Stark County 2007 Financial Activity Statement

Resources Taken In

| | 2006 | 2007 |
|--------------------------------------|----------------------|----------------------|
| Taxes | \$64,361,000 | \$64,470,000 |
| Licenses & Permits | 70,000 | 72,000 |
| Charges for Services | 28,725,000 | 29,315,000 |
| Fines & Forfeitures | 630,000 | 672,000 |
| Intergovernmental Revenue | 149,286,000 | 150,291,000 |
| Special Assessments | 703,000 | 661,000 |
| Water & Sewer Revenues | 22,373,000 | 22,836,000 |
| Health Ins./Workers' Comp Revenue | 13,954,000 | 14,659,000 |
| Investment Income | 5,447,000 | 6,704,000 |
| Other | 7,443,000 | 8,020,000 |
| Total Revenue & Resources | \$292,992,000 | \$297,700,000 |

Services Provided

| | | |
|---|----------------------|----------------------|
| Legislative & Executive | 18,807,000 | 20,447,000 |
| Judicial | 15,603,000 | 16,746,000 |
| Public Safety | 25,843,000 | 26,557,000 |
| Public Works | 18,288,000 | 16,128,000 |
| Health | 79,319,000 | 80,055,000 |
| Human Services | 68,433,000 | 70,882,000 |
| Capital Outlay | 14,128,000 | 9,684,000 |
| Intergovernmental | 11,173,000 | 8,986,000 |
| Debt Service | 2,237,000 | 2,245,000 |
| Water & Sewer Expenses | 18,217,000 | 18,334,000 |
| Health Ins./Workers' Comp Expenses | 13,524,000 | 15,410,000 |
| Other Expenses | 660,000 | 661,000 |
| Total Expenditure & Services | \$286,232,000 | \$286,135,000 |

| | | |
|--|--------------------|---------------------|
| Revenues & Resources Over Expenditures & Services | \$6,760,000 | \$11,565,000 |
|--|--------------------|---------------------|

Note 1: Property taxes increased due to the Real Estate Reappraisal required every 6 years, even though tangible personal property tax will be completely phased out in 2008.

Note 2: Intergovernmental Revenue increased due to additional funding for public assistance. This fund offers temporary assistance programs to those in need.

Note 3: Capital Outlay expenses decreased due to the completion of projects where the bulk of expenses were recorded in previous years.

Note 4: Health Insurance and Workers' Compensation expenses increased due to higher employment and insurance costs.

Resources Taken In

Resources taken in are the amounts which the County receives from a variety of different sources in order to pay for the Services it provides.

Taxes are resources which include Sales Tax, Real Estate Tax, Personal Property Tax and a variety of smaller taxes.

Charges for Services are the combined resources of various County departments and agencies for fees paid to them by the public such as court cost and fees for recording deeds and transferring property.

Licenses & Permits are the revenues derived from the selling of vendor licenses, dog licenses, and other items.

Fines and Forfeitures are the resources derived from fines levied in the Courts and the monies received from a variety of forfeitures, including drug arrests and seized property.

Intergovernmental Revenues are the combined resources received from grants and from pass-through monies administered by the State of Ohio and Federal Government.

Special Assessments are amounts levied on real estate tax bills by the County and other local governments for providing improvements such as ditches, water and sewer service, curbs and lighting.

Water & Sewer Revenues are the combined resources charged to customers by the Environmental Services Department.

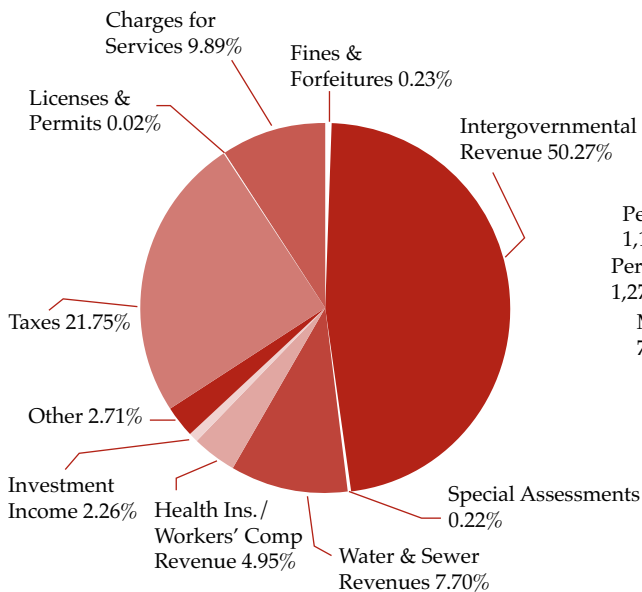
Health Insurance and Workers' Compensation Revenue are charges made to all County Offices and Agencies in order to provide these coverages to employees.

Investment Income is the earnings of the County Treasurer's investments.

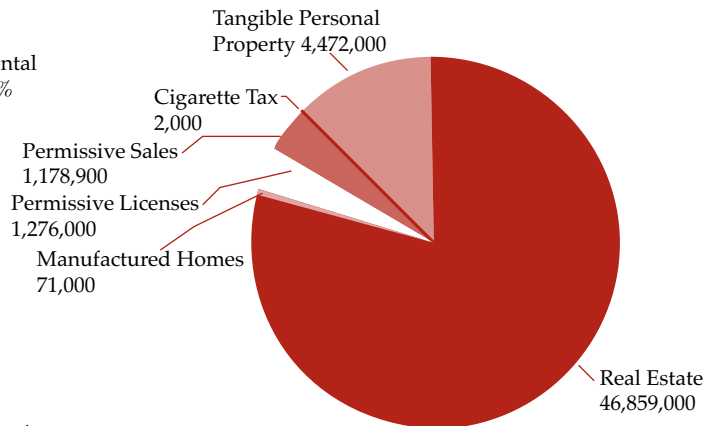
Financial Activity Statement

Resources Taken In • Services Provided

Resources Taken In



Taxes Further Broken Down



Services Provided

– Services Provided are the amounts spent in order to provide services to citizens.

Legislative and Executive expenditures are the expenses incurred for administrative offices including the Commissioners, Auditor, Treasurer, Prosecutor, and Recorder.

Judicial expenditures reflect the costs of administering justice through the Stark County Courts, which include the Courts of Common Pleas, Juvenile, and Domestic Relations.

Public Safety expenditures reflect the costs of the Sheriff, Coroner, and Probation Departments.

Public Works expenditures reflect the costs incurred to maintain County roads and bridges

Economic Development expenditures reflect the work that is done to simulate the economic development for Stark County.

Health expenditures are those services to maintain public health.

Human Services expenditures relate to the cost of the Human Services Department, the Board of Mental Retardation/Development Disabilities, and Children Services Board.

Conservation and Recreation expenditures are costs incurred to maintain the County parks and for conserving the beauty of County lands.

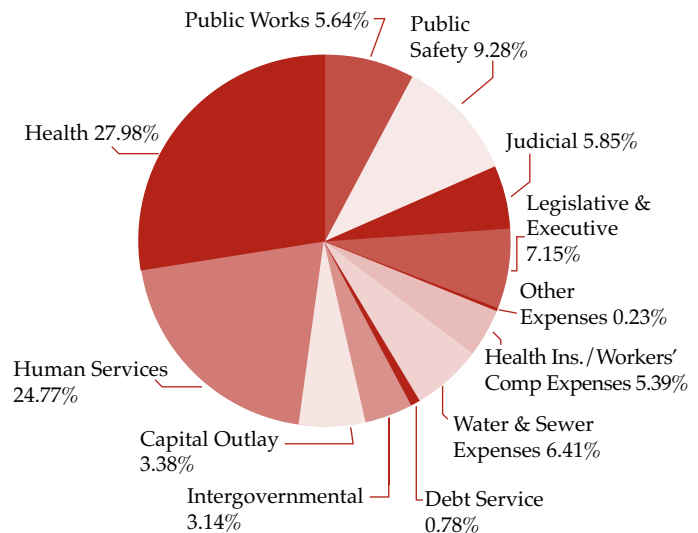
Intergovernmental expenditures are monies which are passed through the County government to other governments, including Transportation Improvement District.

Debt Services expenditures relate to the costs of paying interest and principal on County Debt.

Water & Sewer expenses are the combined costs to operate the County's Environmental Services unit.

Health Insurance and Workers' Compensation expenditures are the costs to provide insurance coverage for medical and work-related accidents to the employees of the County.

Services Provided



Financial Position Statement

Summary

The Financial Position Statement, known in accounting terms as the "Statement of Net Assets", is designed to provide a picture of the County's Financial Position as of the end of the year. Explanations of specific accounts are as follows by where they appear in the financial position statement:

Stark County 2007 Financial Position Statement

| Financial Benefits | 2006 | 2007 |
|---------------------------------|----------------------|----------------------|
| Cash | \$27,000,000 | \$23,000,000 |
| Investments | 62,000,000 | 68,000,000 |
| Receivables | 137,000,000 | 140,000,000 |
| Property Equipment | 271,000,000 | 278,000,000 |
| Other assets | | 3,000,000 |
| Total Financial Benefits | \$497,000,000 | \$512,000,000 |

Financial Burdens

| | | |
|--------------------------------------|----------------------|----------------------|
| Amount Owed to Employees and Vendors | \$13,000,000 | \$18,000,000 |
| Short-Term Debt | 2,000,000 | 2,000,000 |
| Long-Term Debt | 20,000,000 | 20,000,000 |
| Other Liabilities | 82,000,000 | 81,000,000 |
| Total Financial Burdens | \$117,000,000 | \$121,000,000 |

| | | |
|--|----------------------|----------------------|
| Total Financial Benefits Over Financial Burdens | \$380,000,000 | \$391,000,000 |
|--|----------------------|----------------------|

Note 1: Most of the increase in assets was due to additions to infrastructure. The widening of Portage Street and Cleveland Avenue were among the additional assets.

Note 2: The increase for the Amount Owed to Employees and Vendors was mainly attributable to the increase in accounts payable. This is due to a greater amount of service rendered at year end.

Benefits over Burdens

This amount represents the difference between the financial assets of the County and the liabilities which it must pay. The amount provides the net worth of the County.

Readers of the Financial Position Statement should keep in mind that the statement is presented on a non-GAAP basis, and those desiring to review GAAP basis reports should refer to the County's Comprehensive Annual Financial Report for 2007.

Benefits

Cash is the amount of physical cash held by the County in checking accounts and on hand for purposes of paying expenses.

Investments are made up of the funds not needed to be held to pay expenses, so the Treasurer invests these funds in a variety of different types of accounts. This allows the County to earn interest on its surplus cash.

Receivables represent the amounts which are owed to the County and which are expected to be paid to the County over the course of the next twelve months.

Property & Equipment represent the furniture, equipment, vehicles, land, buildings, roads, bridges, and water and sewer plants and mains which provide for an economic benefit of greater than one year.

Burdens

Amounts Owed to Employees and Vendors are those items which the County owes to individuals and companies who supply a service or good, and the expected payment is to be made within twelve months.

Short-Term Debt represents amounts borrowed by the County which must be repaid within one year.

Long-Term Debt represents the amount of bonds which the County has issued and still owes. Bonds do not have to be paid off in one year, rather the County makes monthly or yearly debt payments on these amounts.

Other Liabilities are those items other than Amounts Owed to Employees and Vendors, as well as Short-Term and Long-Term Debt. Examples would be Amounts Owed to other Governments and other funds.

Receivables and Summary of Debt Instruments & Analysis

This summary provides an analysis of the different types of receivables carried by the County.

| Receivables | Amount |
|--------------------------------|----------------------|
| Accrued Interest Receivable | \$867,906 |
| Accounts Receivable | 4,405,045 |
| Intergovernmental Receivable | 65,951,095 |
| Sales Taxes Receivable | 3,159,035 |
| Property Taxes Receivable | 51,392,467 |
| Special Assessments Receivable | 11,479,084 |
| Loans Receivable | 2,464,176 |
| Total Receivables | \$139,718,808 |

Summary of Debt Instruments

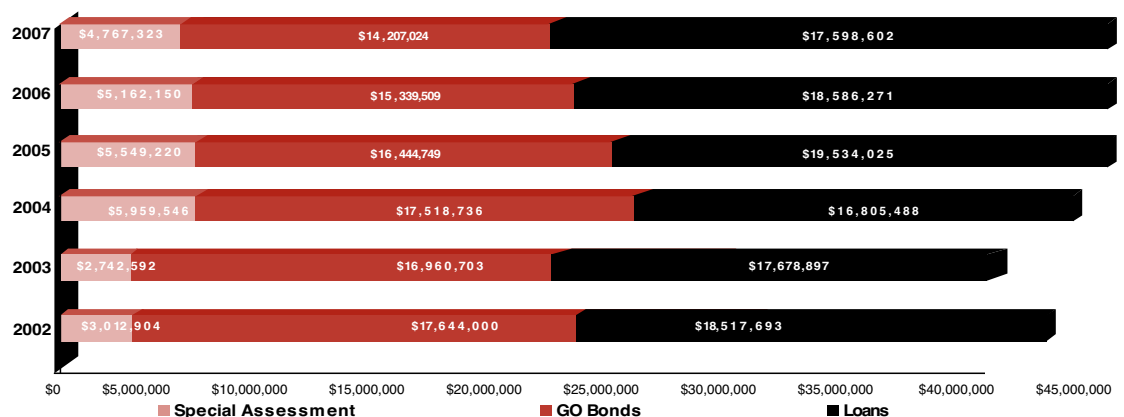
Special Assessments
Special Assessment Bonds are issued to pay for improvements benefitting property owners, and the owners pay the County over twenty years.

General Obligation
General Obligation Bonds are long-term debt instruments which are repaid from the County's general revenue sources.

Loans
Loans are acquired from state agencies for various sewer, water, and road projects. These are repaid from operating revenue of the Sanitary Engineer's office and intergovernmental revenue of the Engineer's office.

| | Balance at 01-01-07 | New Money (ADDS) | Paid Off (DELETES) | Balance at 12-31-06 |
|---------------------------------|------------------------|---------------------|-----------------------|------------------------|
| Special Assessment | \$5,162,150 | \$0 | \$394,827 | \$4,767,323 |
| General Obligation Bonds | 15,339,509 | 0 | 1,132,485 | 14,207,024 |
| Loans | 18,586,271 | 0 | 987,669 | 17,598,602 |
| Total Debt | \$39,087,930 | 0 | \$2,514,981 | \$36,572,949 |

Debt Outstanding Trend Analysis



Stark County Elected Officials

– as of December 31, 2007

County Commissioners

www.commissioners.co.stark.oh.us

Tom Harmon
Todd Bosley
Jane Vignos

(330) 451-7371

County Auditor

www.auditor.co.stark.oh.us

Kim R. Perez

(330) 451-7357

County Coroner

www.coroner.co.stark.oh.us

P.S. Murthy, M.D.

(330) 837-9299

County Engineer

www.engineer.co.stark.oh.us

Michael J. Rehfus

(330) 477-6781

County Prosecutor

www.prosecutor.co.stark.oh.us

John D. Ferrero

(330) 451-7897

County Recorder

www.recorder.co.stark.oh.us

Rick Campbell

(330) 451-7443

County Sheriff

www.sheriff.co.stark.oh.us

Timothy A. Swanson

(330) 430-3800

County Treasurer

www.treasurer.co.stark.oh.us
www.starktaxes.com

Gary D. Zeigler

(330) 451-7814

Clerk of Courts

www.starkclerk.org

Nancy Reinbold

(330) 451-7622

Common Pleas Judges

www.cpgendiv.co.stark.oh.us

Charles E. Brown Jr.
John G. Haas
Taryn Heath
Richard D. Reinbold, Jr.
V. Lee Sinclair, Jr.

(330) 451-7931

Family Court Judges

www.cpdmjuvdiv.co.stark.oh.us

David E. Stucki
Jim D. James
Michael L. Howard

(330) 451-7415

Probate Court Judge

www.probate.co.stark.oh.us

Dixilene N. Park

(330) 451-7755

Ohio Court of Appeals

Fifth Appellate District
www.fifthdist.org

Patricia A. Delaney
Julie A. Edwards
Shelia G. Farmer
W. Scott Gwin
William B. Hoffman
John W. Wise

(330) 451-7765